Headquarters U.S. Air Force

Integrity - Service - Excellence

USAF Acquisition and Program Integration

DAU Business Managers' Conference

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(Acquisition Integration)

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Overview

- The Environment
- The Problem
- The Solution
- Implementation Plan/Schedule
- Summary

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Top 10 One-Liners

10) Failure is not an option. It comes bundled with the software.

9) POLICE STATION TOILET STOLEN!! **Cops have nothing to go on.**

8) I'm not a complete idiot. Some parts are missing.

7) When I was young, I went "skinny dipping." Now, I just "chunky dunk."

6) You're just jealous because the voices only talk to me.

5) If raising children was going to be easy, it never would have started with something called labor!

4) I must be a proctologist … because I work with buttheads!

3) I don't suffer from insanity. I enjoy every minute of it.

2) I want to die in my sleep like my grandfather … not screaming and yelling like the passengers in his car.

1) I signed up for an exercise class and was told to wear loose-fitting clothing. If I HAD any loose-fitting clothing, I wouldn't have signed up in the first place!

The Fiscal Environment
Demands a Different Culture

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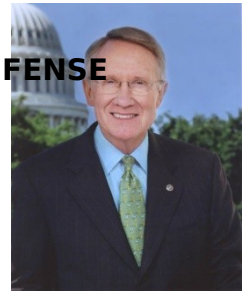
"From my review of these [acquisition] programs, this point is clear: the phenomenon of 'acquisition malpractice,' which a senior Pentagon official publicly described just a few days ago, can be found in many more programs than just the Joint Strike Fighter. It pervades the entire major defense acquisition program portfolio, revealing a cultural problem in the acquisition of goods and services that is unsustainable. Before the Department further risks force structure to achieve budget savings, practices like this must end – now."

—OPENING STATEMENT BY SENATOR MCCAIN AT THE SASC HEARING ON FY 2013 DEFENSE AUTHORIZATION REQUEST, February 14, 2012



- **Limited Congressional cooperation**
  - **Expect difficulties in obtaining Congressional approvals to reprogram funds**
    - **Reprogramming dollars risks those sources to rescissions**
- **Need greater PMO/contractor flexibility and creativity**
  - **Necessary to survive the expected yearly CRs**
  - **Resulting cost and schedule growth will lead to program terminations**

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The Problem

Unclear Program Control Roles

- **Problem:** In the current environment, how do we execute programs, and control cost/sched/requirements growth?
- **Background:**
  - 74 Nunn-McCurdy breaches (i.e., loss of accountability, lack of discipline)
  - Surveys highlight minimal scheduling & integration expertise
  - Program Integrators (PI) are normally financial experts w/ little PM experience
- **Analysis:**
  - PM/FM/PK/SPRDE share capabilities that help control a program

"Program Control" Should be Refocused as "Program Integration"

The Solution

Enterprise-Wide "Program Integration"

- **Revitalize & Refocus Legacy Program Control Tools/Skills as "Program Integration" (PI)**
- **Provide Senior Leadership Focus on Solutions**
  - **PI is one of the nine 2012 SAF/AQ Acquisition Focus Areas**
- **Reorganize to Provide Meaningful Decision Support**
  - **Include the right stakeholders**
  - **Organize to execute PI**
  - **Stand up program level PI shops**
- **Develop Comprehensive Policy**
- **Strengthen the Capability of our P**
- **Institutionalize the Right Tools**

Teach People to Take Risks

Changing the Culture is Our Toughest Challenge

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SAF/AQ's 2012 Acquisition Focus Areas

- Program Management
- Industrial Liaison Analysis
- Contractor Performance
- **Program Integration**
- Should Cost
- Acquisition Efficiency Execution and Management
- Acquisition Program Baselines
- Acquisition Master List / Program Transparency
- Continuous Process Improvement (CPI) 2.0

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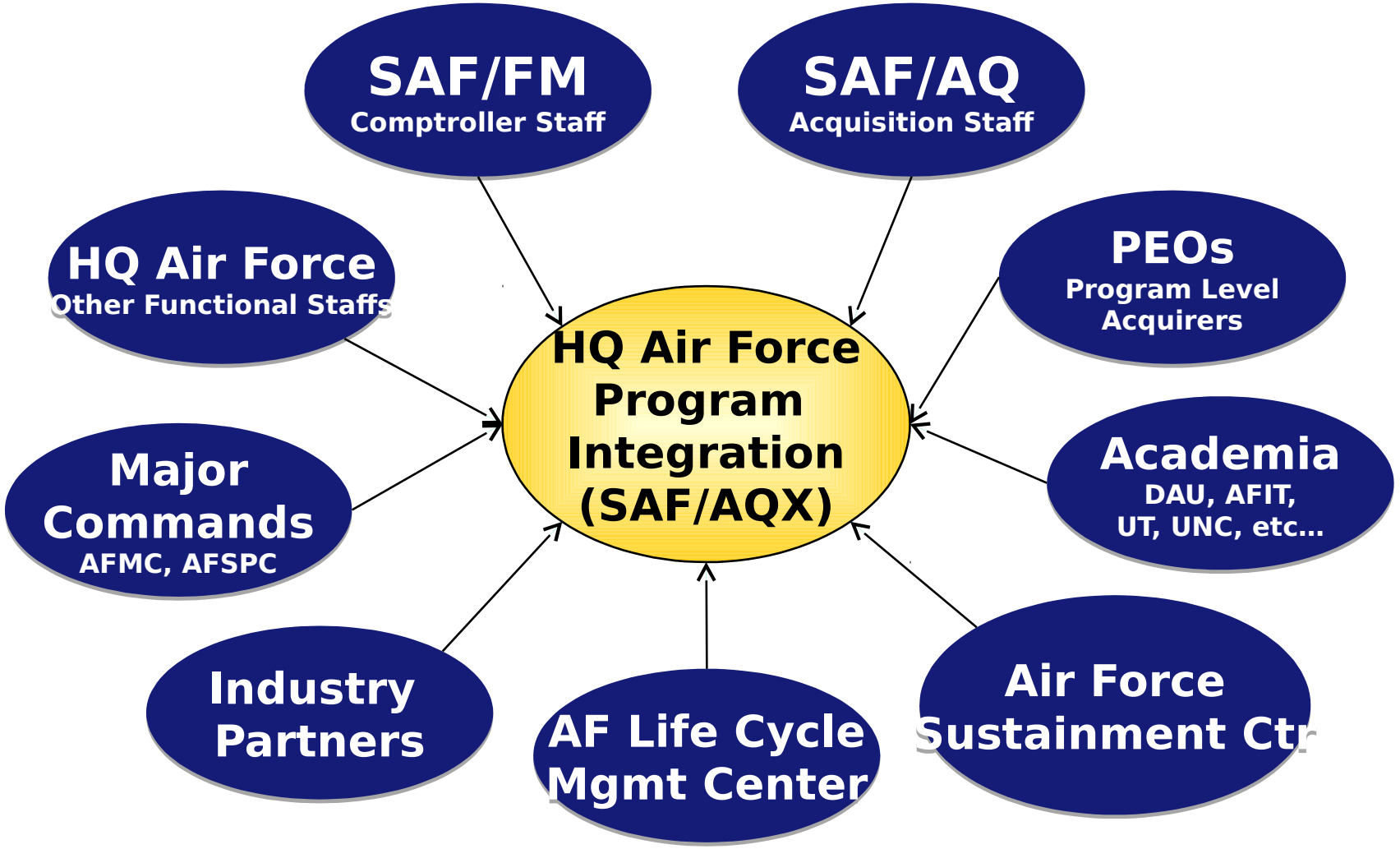
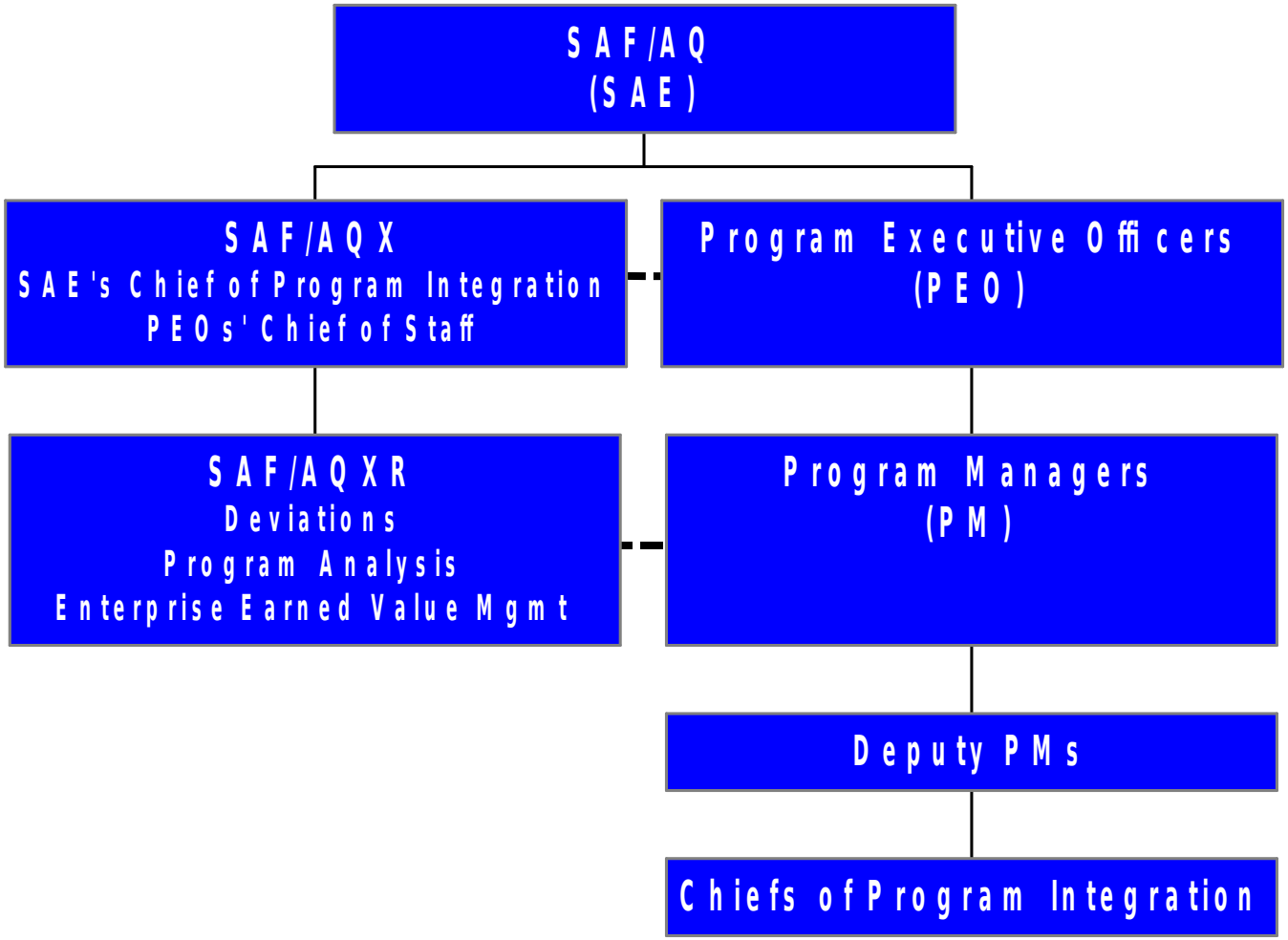
Include the Right Stakeholders

To Successfully Execute Programs



Organize to Execute PI

... at all levels



Program Integration
… at the Service Acquisition Executive level

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- **Vision: Enabling acquisition excellence through partnering & integration**
- **Mission: Develop, maintain, & integrate acquisition management policy, financial resources, processes, information technology, industrial insight, and program execution**
- **Major Roles – Integrated support to the Air Force SAE:**
  - **CFO - Integrate & execute SAE investment priorities within constraints**
  - **CIO - Maintain acq IT, architectures, governance, and ensure transparency**
  - **Oversight - Analyze program execution (cost, schedule, performance)**
  - **Process Reengineering & Policy - Acquisition manpower, contractor services, FFRDC support, program analysis, program & funding execution**
  - **Workforce Training & Courseware – Acq Leadership Challenge Program, Program Management Fundamentals, Advanced**

Improving Program Performance Through Acquisition Excellence

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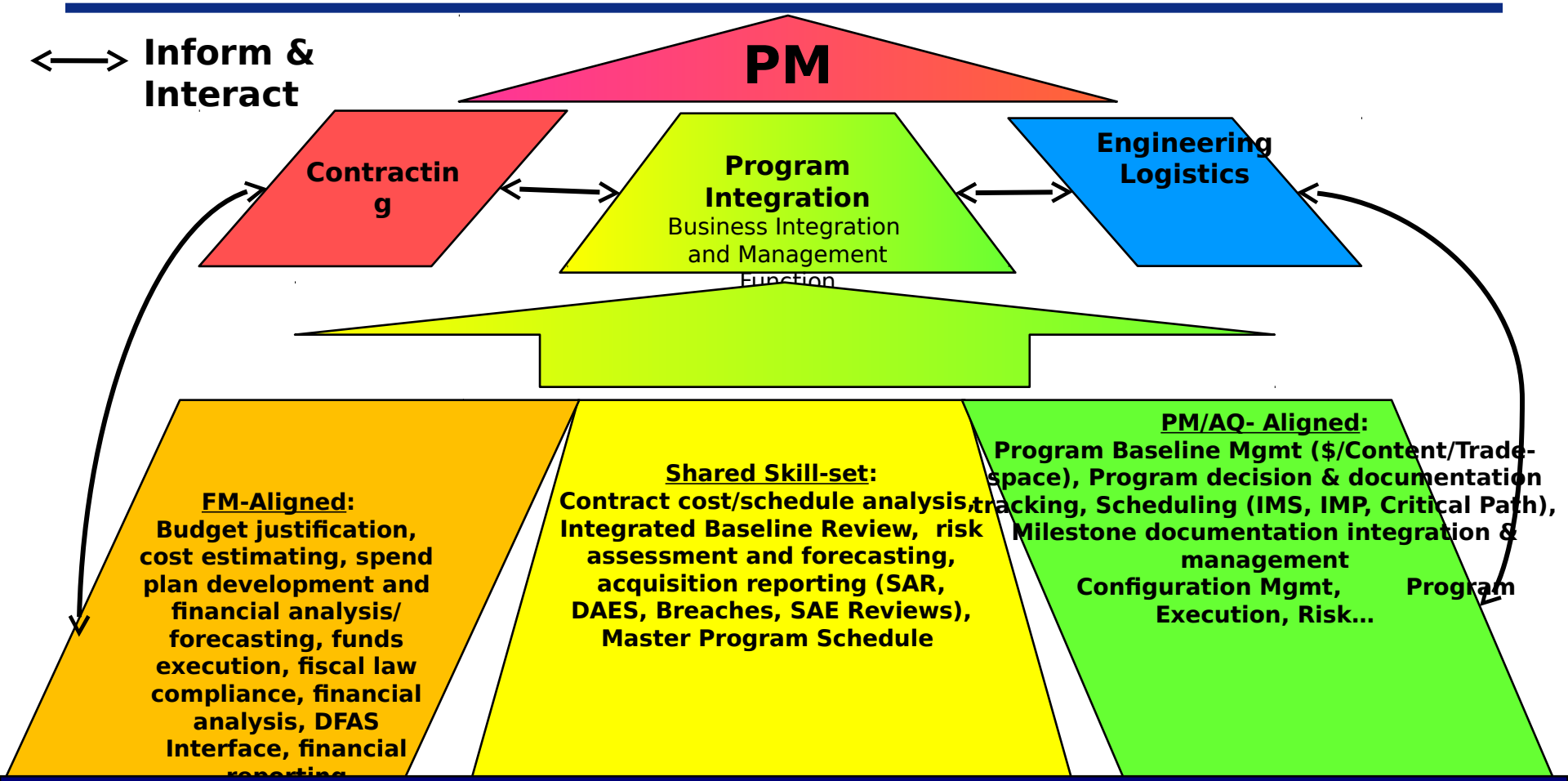
Program Integration

… at the Program level


Inform & Interact
PM
Contracting
Program Integration
Business Integration and Management Function
Engineering Logistics
FM-Aligned:
Budget justification, cost estimating, spend plan development and financial analysis/ forecasting, funds execution, fiscal law compliance, financial analysis, DFAS Interface, financial
Shared Skill-set:
Contract cost/schedule analysis, Integrated Baseline Review, risk assessment and forecasting, acquisition reporting (SAR, DAES, Breaches, SAE Reviews), Master Program Schedule
PM/AQ- Aligned:
Program Baseline Mgmt ($/Content/Trade-space), Program decision & documentation tracking, Scheduling (IMS, IMP, Critical Path), Milestone documentation integration & management
Configuration Mgmt, Program Execution, Risk…

Program Integration is the GLUE that holds the Program together…

In the Air Force Headquarters, SAF/AQ ties it all together

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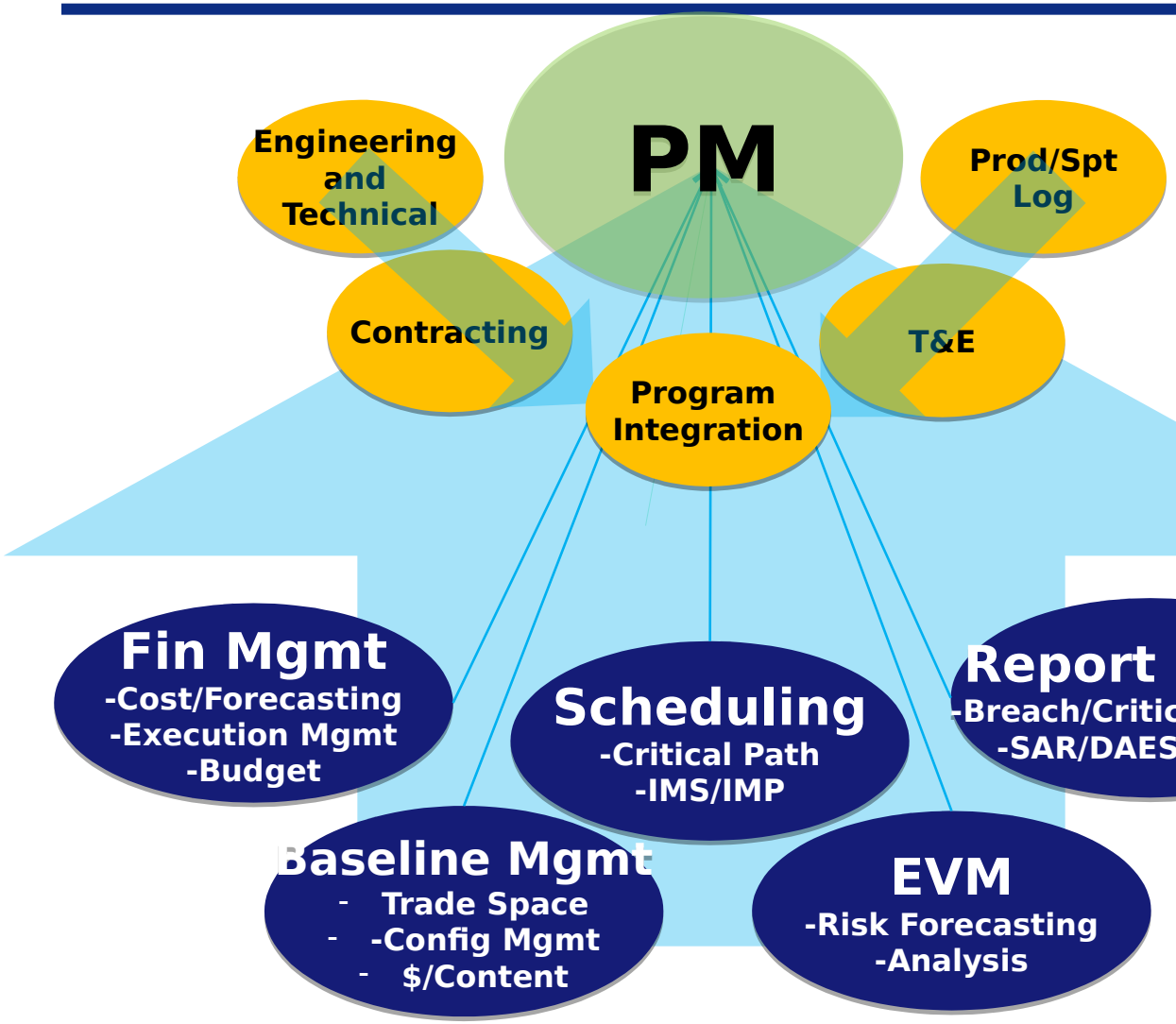
Program Integration

… at the Program level



"CENTRAL ADVISOR TO PM"

Program Integration (PI) unites acquisition management activities to:

- **Execute, assess, status, predict**
- **Enable requirements control**
- **Anticipate problems**
- **Provide solution options**
- **Help mitigate risks**
- **Help navigate acquisition oversight**

#3 Person in the SPO

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Program Integration
… in the weeds

Estimating
- Creates and validates cost and schedule estimates
- Maintains a current cost estimate and documents reasons for changes to estimates as they occur
- Runs sensitivity analyses and predicts results given program changes

Budgeting
- Prepares budget submissions and submits forecasts for obligating funds
- Tracks all allotted funds and maintains Program Office's financial records
- Proposes financial strategy and develops financial plans
- Interacts with Scheduling function

Scheduling
- Determines schedules to fit program needs and constraints
- Tracks progress against schedules, reports deviations from plan, and evaluates the impact of possible solutions
- Interacts with budgeting function
- Keeper of the Integrated Master Schedule

Planning
- Integrates, reviews, and maintains all budget plans and schedules
- Assists the program manager in initial program formulation and staffing

Configuration Management
- Identifies and documents the functional and physical characteristics of a configuration item
- Controls changes to those characteristics
- Records and reports changes to processing and implementation status

Analyzing & Reporting
- Compares program status to plans, budgets, estimates, and schedules
- Tracks and evaluates progress using EVMS
- Determines the reasons for variations in schedule and cost
- Prepares acquisition reports (e.g. MAR, DAES, SAR, etc.)

Forecasting
- Determines probabilities associated with the occurrence of predicted events
- Identifies potential problems and their impact through risk management
- Evaluates and recommends alternative courses of action to program managers

Requirements Control
- Tracks status of program requirements, evaluates impact of requirements changes and updates budget plans and schedules accordingly
- Prevents / mitigates 'requirement creep'

Recording/ Archiving
- Documents significant actions and decisions affecting the anticipated outcome of the program

Data Management
- Governs and controls the selection, preparation, acquisition, and use of data from contractors

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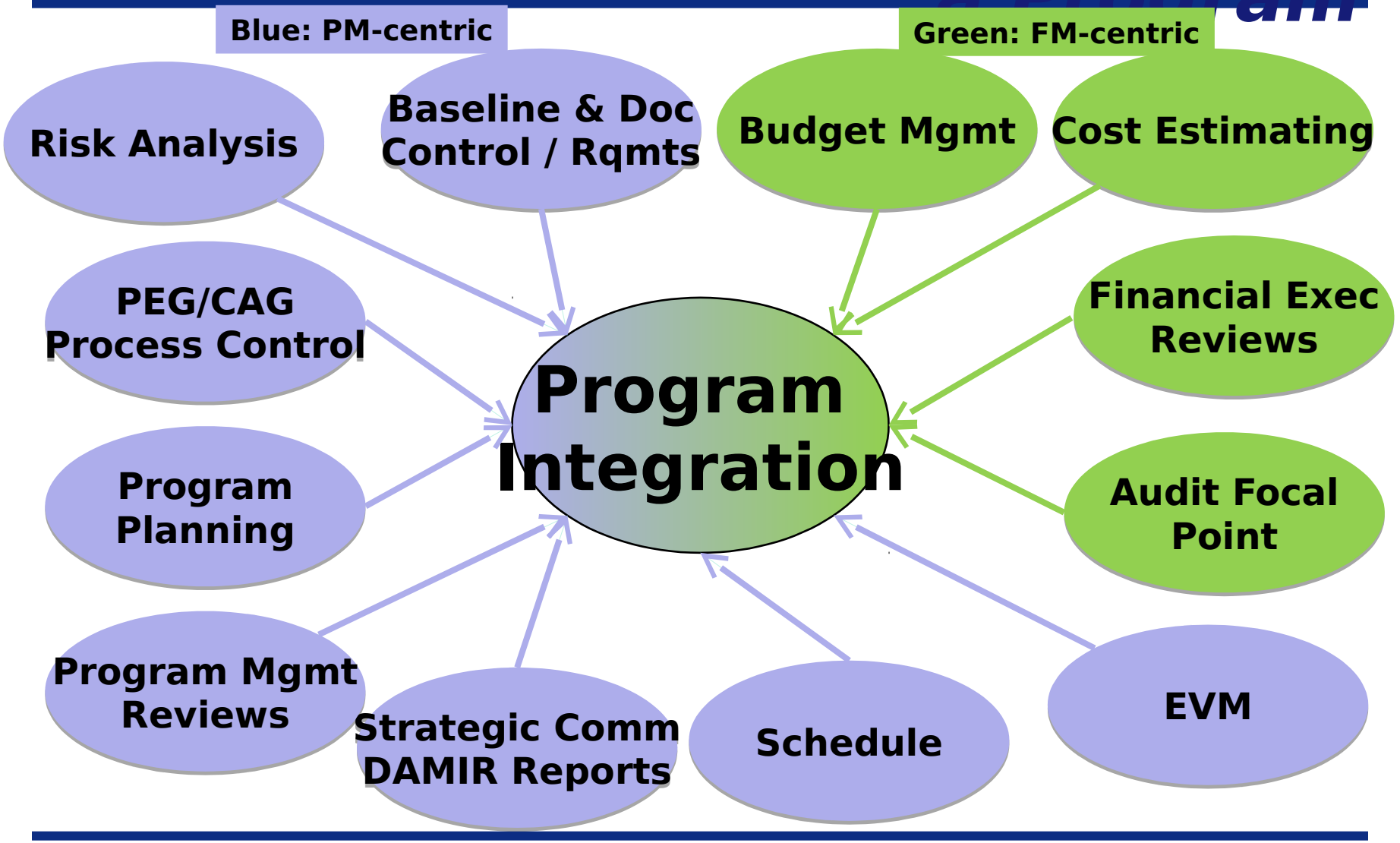
Integrating Those Functions That "Control" a Program



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Program-Level PI Offices

Planned CONOPS & Capabilities

Current State

- Task of integrating various analyses **often falls solely to the PM**
- Execution of Program Integration function **varies greatly** from program to program
- High quality **analyses are not consistently conducted**
- **Data is often merely "reported"**, rather than used as a tool for analysis
- Number of acquisition personnel with sufficient skill and

Future State

- PM is provided **with quality, integrated PI analyses** that allows them to make informed program decisions and tradeoffs
- PI is an integral function within USAF acquisition, with **clearly defined roles, responsibilities, and accountability**
- A high performing PI function allows program managers to **anticipate problems, evaluate data, and mitigate risks**
- A **strong pipeline of talent** exists to effectively execute and

The ultimate goal is to restore Program Integration as a core competency within AF acquisition & to make it a key driver of program cost, schedule & performance success

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Develop Comprehensive Policy

- **Current AF acquisition policy (AFI 63-101)**
  - **Primarily focuses on technical performance**
  - **Cost and schedule control are r addressed in depth**
- **Upcoming revisions will:**
  - **Highlight the importance of cos**
  - **Include scheduling guidance**
  - **Implement reengineering initiatives**
  - **Focus on a lifecycle integration approach**
  - **Focus on managing an integrated baseline**

Strengthen the Capability of Our People

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- **Enhance our workforce's knowledge set**
  - **Training (both formal and informal)**
    - **Scheduling, EVM, strategic communications, and risk analysis**
    - **Cross-train FM, PM, SPRDE and cost in complimentary tasks**
  - **Program Integration Handbook (in work - quick ref/examples)**
  - **Community of Practice (forum for working level idea sharing)**
  - **Annual Program Integration Conference**
- **Align jobs within career paths**
  - **Allow for on/off ramps from variety of established career fields**
  - **Allow for a steady learning curve to build competency**

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Current vs. Expected Knowledge

PC Roles & Responsibilities	FM (BUS-FM)	FM (BUS-CE)	PM	SPRDE
Audit Focal Point	XXX	XXX	XXX	XXX
Baseline Control	XX	XX	XX	XXX
Budget Management	XX	XX	XX	
Business Acumen Training	XXX	XXX	XXX	XXX
Cost Estimating and Analysis	XX	X	XXX	
DAMIR Reporting	XX	XX		
Document Control Manager	XX	XX	X	
Earned Value Management (EVM)	X	X	XXX	
Integrated Risk Analysis	XX	X	XXX	XXX
Program Execution Reviews	XX	XX	XX	XXX
Program Planning	XXX	XXX	XXX	XXX
Schedule Management and Analysis	XX	XX	XXX	XXX
Strategic Communications	XX	XXX	XX	XXX
Technical Management and Engineering			XXX	X
Contracting			XXX	

XXX- Requires deep knowledge/expertise
XX – Requires application ability level
X – Requires synthesis level

Red indicates a deficiency in training

We Need to Enhance Training for our People Through Formal and Informal Means

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Institutionalize our Tools

- **Track Enterprise Metrics based on**
  - **Cost**
  - **Schedule**
  - **Technical Performance**
- **Use Tools to capture the data and turn it into useful info**
  - **Earned Value (a mgt tool to be used before contract award, as well as after)**
  - **Critical Path (many don't know what it is or realize it's always changing)**
- ***Define a Program Integration "baseline" now… then, measure***

You Get What You Measure – If You Measure the Wrong Things, Your Customers (Warfighters & Taxpayers) Pay the Price…

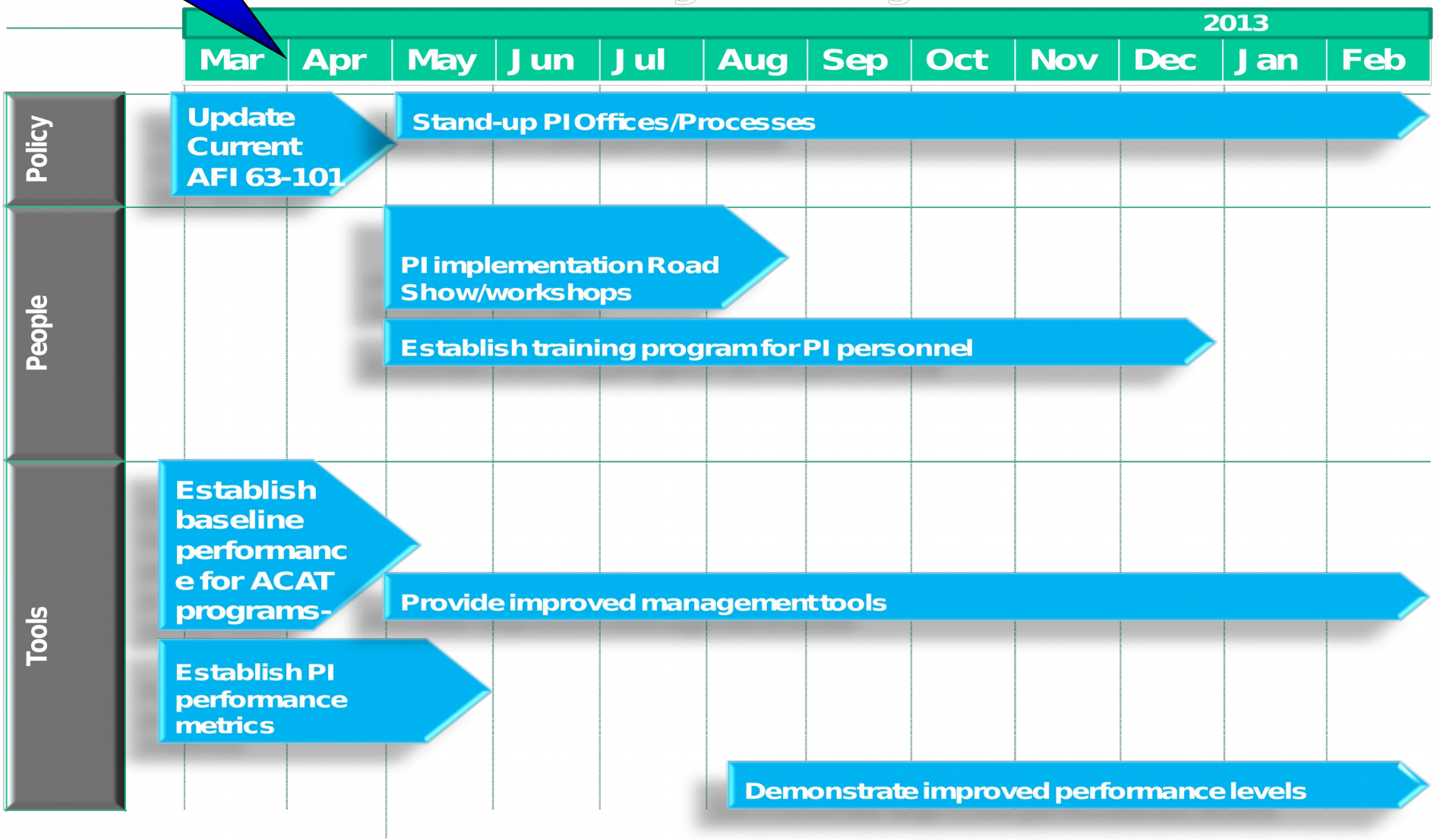
Measure… Measure… and Measure Again

- Utilize existing metrics – enhance only as needed
- Selectively define new metrics
- 2012 SAF/AQ Goals
  - Goal 1: Improve acq workforce capabilities
  - Goal 2: Deliver the right systems & services on time, and in sufficient quantities to the warfighter
  - Goal 3: Improve fiscal stewardship in all aspects of acquisition
  - Goal 4: Decrease acquisition cycle time and instill a sense of urgency across the enterprise
- Execute and control within existing *Efficiency Ceilings* for Program Overhead Costs, Know ledged Based Services, and Reports, Studies, Boards, & Commissions

Air Force Program Integration

Implementation Timeline

MCR T2 Strategic Planning Process Detailed View



The Bottom Line

We Need More Skills

Training, Not Just Education

And now… a few more observations on the plight of the government worker…

Top 10 Similarities etween Prison & Wor

Prison

1. You spend most of your time in a 10X10 cell
2. You get three fully paid meals a day
3. You get time off for good behavior
4. The guard locks & unlocks all the doors for you
5. You can watch TV & play games

Work

1. You spend most of your time in a 6X6 cubicle
2. You get a break for one meal, and you pay for it
3. For good behavior, you get more work
4. You carry a security card & open the doors yourself
5. You could get fired for watching TV & playing games

Top 10 Similarities etween Prison & Wor

Prison

6. You get your own toilet
7. They allow your family and friends to visit
8. All expenses are paid by the taxpayers with no work required on your part
9. You have to deal with sadistic wardens
10. You spend your time inside bars wanting to get out

Work

6. You share the toilet with people who pee on the seat
7. You aren't even supposed to speak to your family
8. You have to work, pay all your expenses, and they deduct taxes from your salary to pay for prisoners
9. They are called "Generals"
10. You spend most of your time wanting to get out & go inside bars!

QUESTIONS?